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7 SILITEK CORPORATION
8
9

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12

13 CHICONY ELECTRONICS CO., LTD., a
14 Taiwanese corporation,

15 Plaintiff and
16 Counterclaim
Defendant,

17 v.

18 SILITEK CORPORATION, a Taiwanese
19 corporation

20 Defendant and
Counterclaimant.

CASE NO.: CV-01-3945 CRB

**SILITEK CORPORATION'S ANSWER
TO COMPLAINT FOR DECLARATORY
JUDGMENT**

AND

**COUNTERCLAIM FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

21
22 **ANSWER**

23 Defendant and Counterclaimant Silitek Corporation
24 ("Silitek") answers the complaint of Chicony Electronics Co.,
25 Ltd. ("Chicony") as follows:
26

27 1. Answering paragraph 1 of the complaint, Silitek admits
28 the allegations set forth in this paragraph.

2. Answering paragraph 2 of the complaint, Silitek admits

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1 the allegations set forth in this paragraph.

2 3. Answering paragraph 3 of the complaint, Silitek admits
3 the allegations set forth in this paragraph.

4 4. Answering paragraph 4 of the complaint, Silitek denies
5 knowledge or information sufficient to form a belief as to each
6 and every allegation therein, and on that basis denies each and
7 every allegation therein.

8 5. Answering paragraph 5 of the complaint, Silitek admits
9 that it is the owner by assignment of United States Patent
10 Number 5,986,586 ("the '586 patent"), titled "Keyboard With
11 Additional Hot Keys," issued November 16, 1999, naming as the
12 inventor Tien-Chin Tsai of Taipei. Except as so admitted,
13 Silitek lacks knowledge or information sufficient to form a
14 belief as to the truth of the allegations, and denies the
15 allegations set forth in paragraph 5 on that basis.

16 6. Answering paragraph 6 of the complaint, Silitek admits
17 that it is the owner by assignment of United States Patent
18 Number 5,935,225 ("the '225 patent"), titled "Method For
19 Expanding Hot Keys On A Keyboard," issued August 10, 1999,
20 naming as the inventors Steve Peng of Taipei and Chunn-Cherh Kuo
21 of Taipei Hsien, both of Taiwan. Except as so admitted, Silitek
22 lacks knowledge or information sufficient to form a belief as to
23 the truth of the allegations, and denies the allegations set
24 forth in paragraph 6 on that basis.

25 7. Answering paragraph 7 of the complaint, Silitek admits
26 that a cease and desist letter was mailed to Fry's Electronics
27 ("Fry's"), in Sunnyvale, California. Silitek admits that the
28 cease and desist letter sent to Fry's identified certain

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1 keyboard products that infringe the '225 and/or '586 patents.
2 Except as so admitted, Silitek lacks knowledge or information
3 sufficient to form a belief as to the truth of the allegations,
4 and denies the allegations set forth in paragraph 7 on that
5 basis.

6 8. Answering paragraph 8 of the complaint, Silitek denies
7 that Chicony has not infringed any valid claim of either the
8 '586 or '225 patents. Except as so admitted, Silitek lacks
9 knowledge or information sufficient to form a belief as to each
10 and every allegation therein, and on that basis denies each and
11 every allegation therein.

12
13 **FIRST CLAIM FOR RELIEF**

14 (Non-Infringement)

15 9. Silitek incorporates by reference the responses in
16 paragraphs 1 through 8, above.

17 10. Answering paragraph 10 of the complaint, Silitek denies
18 the allegations set forth in paragraph 10.

19 11. Answering paragraph 11 of the complaint, Silitek denies
20 the allegations set forth in paragraph 11.

21 12. Answering paragraph 12 of the complaint, Silitek denies
22 the allegations set forth in paragraph 12.

23
24 **FIRST [sic] CLAIM FOR RELIEF**

25 (Invalidity and Unenforceability of the '586 Patent)

26 13. Silitek incorporates by reference the responses in
27 paragraphs 1 through 12, above.

28 14. Answering paragraph 14 of the complaint, Silitek denies

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1 the allegations set forth in paragraph 14.

2 15. Answering paragraph 15 of the complaint, Silitek denies
3 the allegations set forth in paragraph 15.

4 16. Answering paragraph 16 of the complaint, Silitek denies
5 the allegations set forth in paragraph 16.

6 17. Answering paragraph 17 of the complaint, Silitek denies
7 the allegations set forth in paragraph 17.

8 18. Answering paragraph 18 of the complaint, Silitek denies
9 the allegations set forth in paragraph 18.

10
11 **SECOND [sic] CLAIM FOR RELIEF**

12 (Invalidity and Unenforceability of the '225 Patent)

13 19. Silitek incorporates by reference the responses in
14 paragraphs 1 through 18, above.

15 20. Answering paragraph 20 of the complaint, Silitek denies
16 the allegations set forth in paragraph 20.

17 21. Answering paragraph 21 of the complaint, Silitek denies
18 the allegations set forth in paragraph 21.

19 22. Answering paragraph 22 of the complaint, Silitek denies
20 the allegations set forth in paragraph 22.

21 23. Answering paragraph 23 of the complaint, Silitek denies
22 the allegations set forth in paragraph 23.

23 24. Answering paragraph 24 of the complaint, Silitek denies
24 the allegations set forth in paragraph 24.

25
26 **AFFIRMATIVE DEFENSES**

27 As and for its separate affirmative defenses to the
28 complaint and each and every purported cause of action alleged

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1 therein, Silitek states as follows:

2 **FIRST AFFIRMATIVE DEFENSE**

3 (To all claims for relief)

4 25. As a first affirmative defense, defendant asserts that
5 each of plaintiff's claims for relief fails to state a claim
6 upon which relief can be granted.
7

8 **SECOND AFFIRMATIVE DEFENSE**

9 (To all claims for relief)

10 26. As a second affirmative defense, defendant asserts that
11 the '586 patent is, and has always been, a valid and enforceable
12 U.S. patent.
13

14 **THIRD AFFIRMATIVE DEFENSE**

15 (To all claims for relief)

16 27. As a third affirmative defense, defendant asserts that
17 the '225 patent is, and has always been, a valid and enforceable
18 U.S. patent.
19

20 **FOURTH AFFIRMATIVE DEFENSE**

21 (To all claims for relief)

22 28. As a fourth affirmative defense, defendant asserts that
23 the accused products, mentioned in the cease and desist letter
24 sent to Fry's, infringe on either the '586 or '225 patents or
25 both because they were made, used, sold in the United States or
26 imported into the United States by Chicony.

27 **FIFTH AFFIRMATIVE DEFENSE**

28 (To all claims for relief)

29. As a fifth affirmative defense, defendant asserts that

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1 plaintiff lacks standing to bring the claims set forth in the
2 Complaint.

3 **SIXTH AFFIRMATIVE DEFENSE**

4 (To all claims for relief)

5 30. As a sixth affirmative defense, defendant alleges that it
6 has insufficient knowledge or information upon which to form a
7 belief as to whether it may have additional, yet unasserted,
8 affirmative defenses and therefore reserves the right to assert
9 additional affirmative defenses in the event discovery indicates
10 it would be appropriate.
11
12

13 **COUNTERCLAIMS**

14 Defendant and Counterclaimant Silitek, through its
15 undersigned counsel and by way of counterclaim against Plaintiff
16 and Counterclaim Defendant Chicony, alleges as follows:
17

18 **JURISDICTION AND VENUE**

19 1. This is an action for patent infringement arising under
20 the patent laws of the United States.

21 2. On information and belief, Chicony does business and
22 actively solicits business within this judicial district. This
23 court has jurisdiction pursuant to 28 U.S.C. sections 1331 and
24 1338.

25 3. Venue is proper within this judicial district pursuant
26 to 28 U.S.C. section 1391(b) and (c).

27 **THE PARTIES**

28 4. Defendant and Counterclaimant Silitek is a corporation
organized and existing under the laws of the Republic of China

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1 with its principal place of business in Taipei, Taiwan. Silitek
2 is in the business of manufacturing and distributing computer
3 related products, including keyboards.

4 5. Plaintiff and Counterclaim Defendant Chicony is a
5 corporation organized and existing under the laws of the
6 Republic of China with its principal place of business in
7 Taipei, Taiwan. Chicony sells computer related products,
8 including keyboards, worldwide, including within the United
9 States.

10 **FACTS**

11 6. Silitek is the owner by assignment of United States
12 Patent Number 5,986,586 titled "KEYBOARD WITH ADDITIONAL HOT
13 KEYS" (the "'586 patent"). The '586 patent was issued on
14 November 16, 1999.

15 7. Silitek is the owner by assignment of United States
16 Patent Number 5,935,225 titled "METHOD FOR EXPANDING HOT KEYS ON
17 A KEYBOARD" (the "'225 patent"). The '225 patent was issued on
18 August 10, 1999.

19 8. The present counterclaim involves Chicony's
20 infringement of Silitek's '586 and '225 patents that
21 respectively cover a keyboard with additional hot keys, which
22 can be used to control peripheral equipment, and a method for
23 expanding hot keys on a keyboard.

24 9. Upon information and belief, Fry's Electronics
25 ("Fry's"), a Sunnyvale California retailer of electronic goods,
26 sold and continues to sell keyboard products made by Chicony
27 within the United States that infringed the '586 and '225
28 patents.

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10. On or about May 25, 2001, Silitek's representative sent Fry's a cease and desist letter informing Fry's that certain keyboard products Fry's was making, using, selling, offering for sale and/or importing into the United States infringed the '586 and/or '225 patents.

11. On or about October 19, 2001, Chicony filed a complaint for declaratory judgment against Silitek, seeking a judgment that it did not infringe the '586 and '225 patents and that the patents are invalid and unenforceable.

12. In Chicony's complaint for declaratory judgment, Chicony admits that some of the infringing keyboard products offered for sale and sold by Fry's were manufactured by or for Chicony and imported by or for Chicony into the United States.

FIRST CLAIM FOR RELIEF -

INFRINGEMENT OF THE '586 PATENT

13. Silitek repeats the allegations set forth in paragraphs 1-12 of this counterclaim and thus incorporates such paragraphs in their entirety.

14. Upon information and belief, and by virtue of Chicony's acts as set forth above, Chicony has and continues to directly infringe the '586 patent by making, using, selling, and/or offering to sell within the United States and importing into the United States keyboard products covered by one or more claims of the '586 patent. Therefore, Chicony is liable to Silitek for patent infringement under 35 U.S.C. section 271(a).

15. Upon information and belief, and as a result of Chicony's acts as set forth above, Chicony has made, used and sold keyboard products covered by one or more claims of the '586

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1 patent outside the United States and represented to its
2 customers that the importation to and sale within the United
3 States is lawful.

4 16. Upon information and belief, and upon Chicony's acts
5 as set forth above, Chicony has actively induced, and is
6 inducing, various third parties, including Fry's, to infringe
7 the '586 patent by encouraging those third parties to import
8 into the United States and offer to sell and sell Chicony's
9 infringing keyboard products in the United States. Therefore,
10 Chicony is liable to Silitek under 35 U.S.C. section 271(b).

11 17. Upon information and belief, Chicony's acts have been
12 and continue to be performed with full and complete knowledge of
13 Silitek's intellectual property rights. Accordingly, Chicony's
14 conduct and activities have been and will continue to be
15 willful, deliberate and in total disregard of Silitek's rights
16 in the '586 patent. Thus, this case should be considered
17 "exceptional" pursuant to 35 U.S.C. section 285.

18 18. By reason of Chicony's infringing activities, Silitek
19 has suffered damages in an amount to be proven at trial.
20 Moreover, Chicony's foregoing conduct has left Silitek with no
21 adequate remedy at law and has caused, is causing and will
22 continue to cause irreparable harm to Silitek if not enjoined.

23 **SECOND CLAIM FOR RELIEF -**

24 **INFRINGEMENT OF THE '225 PATENT**

25 19. Silitek repeats the allegations set forth in
26 paragraphs 1-18 of this counterclaim and thus incorporates such
27 paragraphs in their entirety.

28 20. Upon information and belief, and upon Chicony's acts

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1 as set forth above, Chicony has used and performed methods to
2 produce keyboard products that directly infringe upon one or
3 more claims of the '225 patent within the United States.
4 Therefore, Chicony is liable to Silitek for patent infringement
5 pursuant to 35 U.S.C. sections 271(a).

6 21. Upon information and belief, and by virtue of Chicony's
7 acts set forth above, Chicony has made keyboard products by the
8 method claimed in the '225 patent, sold said keyboard products
9 outside the United States and represented to its customers that
10 the sale within the United States and importation into the
11 United States is lawful.

12 22. Chicony has, therefore, induced and is inducing its
13 customers to infringe the claims of the '225 patent by
14 encouraging its customers to import and sell the infringing
15 keyboard products in the United States. Thus, Chicony is liable
16 to Silitek under 35 U.S.C. section 271(b).

17 23. Upon information and belief, and upon Chicony's acts as
18 set forth above, Chicony has imported into the United States
19 and/or used, sold, or offered to sell within the United States
20 keyboard products made from the method claimed in the '225
21 patent. Therefore, Chicony is liable to Silitek for patent
22 infringement under 35 U.S.C. section 271(g).

23 24. Upon information and belief, Chicony's acts have been
24 and continue to be performed with full and complete knowledge of
25 Silitek's intellectual property rights. Accordingly, Chicony's
26 conduct and activities have been and will continue to be
27 willful, deliberate and in total disregard of Silitek's rights
28 in the '225 patent. Thus, this case should be considered

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1 "exceptional" pursuant to 35 U.S.C. section 285.

2 25. By reason of Chicony's infringing activities, Silitek has
3 suffered damages in an amount to be proven at trial. Moreover,
4 Chicony's foregoing conduct has left Silitek with no adequate
5 remedy at law and has caused, is causing and will continue to
6 cause irreparable harm to Silitek if not enjoined.

7
8 **PRAYER FOR RELIEF**

9 WHEREFORE, Silitek prays for the following relief:

10 A. An Order adjudging Chicony to be liable for direct
11 infringement and inducing infringement of the '586 and '225
12 patents;

13 B. An award of compensatory damages resulting from the
14 conduct complained of herein, together with interest and
15 costs;

16 C. An Order dismissing Chicony's claims with prejudice
17 and denying the requested relief based on said claims;

18 D. An Order preliminarily enjoining Chicony, together
19 with its officers, agents, employees, and attorneys, and
20 upon persons in active participation with it who receive
21 notice of the Order, from directly infringing and inducing
22 infringement of the two patents at issue herein;

23 E. An Order permanently enjoining Chicony, together
24 with its officers, agents, employees, and attorneys, and
25 upon persons in active participation with it who receive
26 notice of the Order, from directly infringing and inducing
27 infringement of the two patents at issue herein;

28 F. A declaration that Chicony's infringement was

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1 willful and that this case is exceptional under 35 U.S.C.
2 sections 284 and 285 and, thus, an award of enhanced
3 damages, attorney's fees, and costs;

4 G. An award of attorneys fees and costs associated with
5 Chicony's complaint; and

6 H. Such other relief as this Court deems necessary.
7

8 **DEMAND FOR JURY TRIAL**

9 Silitek hereby requests trial by jury pursuant to Fed.
10 R. Civ. Proc. 38(b).
11

12 Dated: February 1, 2002
13
14

15 By: _____s/David C. Liu_____
16 David C. Liu
17 Jonathan Hangartner
18 Wen Liu
19 Attorneys for Defendant and
20 Counterclaimant
21 SILITEK CORPORATION
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28

PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Liu & Liu LLP, 811 West Seventh Street, Suite 1100, Los Angeles, California, 90017. On February 1, 2002, I served the following described document(s):

SILITEK CORPORATION'S ANSWER TO COMPLAINT FOR DECLARATORY JUDGMENT AND COUNTERCLAIM FOR PATENT INFRINGEMENT

☐ on the interested parties in this action by personally delivering a true copy thereof to the person(s) listed below.

☒ by placing the document(s) listed above in a sealed envelope(s). I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the United States Postal Service on that same day with postage thereon fully prepaid. (CCP §1013a, 2015.5, FRCivP §5(B), or FRAP 25(d).)

☐ by transmitting via facsimile from Liu & Liu's facsimile transmission telephone number the document(s) listed above to a facsimile machine maintained by the person or persons indicated at the facsimile number(s) as last given by that person or persons on any document which he or she has filed in the cause and served on Liu & Liu. Said transmission was reported as complete and without error and a copy of that report with the facsimile telephone number to which transmittal was made and date and time completed is attached to this proof of service. (CCP §§1013(e), 2015.5.)

☐ by placing a copy of the document(s) listed above in a sealed envelope and sending it Airborne Express Next Day Air Service, with delivery fees provided for, addressed to the person indicated at that person's last office address as shown on a recent document filed in the cause and served on Liu & Liu by that person(s). I know that in the ordinary course of business at Liu & Liu said document will be deposited in a box or other facility regularly maintained by Airborne Express or delivered to an authorized courier or driver of Airborne Express for next day delivery. (CCP §§1013(c), 2015.5.)

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SILITEK'S ANSWER AND COUNTERCLAIM

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7 ☐ (*State*) I declare under penalty of perjury under the laws of
8 the State of California that the above is true and
9 correct.

10 ☒ (*Federal*) I declare that I am employed in the office of a
11 member of the bar of this court at whose direction the
12 service was made.

13 Executed on February 1, 2002, at Los Angeles, California.

14 _____s/Julie Nguyen_____

15 JULIE NGUYEN